

ClearView Wealth Limited

SUPPLEMENTARY TARGET'S STATEMENT

What this document is about

There have been some important developments in the takeover offer made by CCP BidCo for your ClearView Shares. The following is a broad overview of the information in this document, and you should read it in full to understand the alternatives available to you:

- CCP BidCo has increased its cash offer from \$0.50 to \$0.55 per Share. In addition, CCP BidCo has agreed that Shareholders can retain up to 4 cents of cash dividends per share without reducing the Offer Price.
- ClearView has agreed to pay a special dividend of 2.2 cents per Share (unfranked) if the CCP BidCo Offer is successful which, when added to the 1.8 cents per Share (fully franked) dividend declared on 20 August, makes a total of 4 cents cash per Share. All Shareholders on the record dates will receive dividends, whether they accept the Offer or not.
- **The Non-Conflicted Directors* continue to be of the view that the Increased Offer does not represent fair value for your ClearView Shares.**
- However, ClearView's largest Shareholder, GPG, has accepted the Increased Offer. As a result, control will pass to CCP BidCo and its Associates.
- There may now be reasons why certain Shareholders could consider accepting the Increased Offer, depending on their individual position. The Non-Conflicted Directors have set out in this document some factors to consider in making this decision. You should read them carefully, and consider taking independent advice.
- The Managing Director and one Non-Conflicted Director intend to not accept the Increased Offer. Two Non-Conflicted Directors intend to accept the Offer.

Read the rest of this document for more detail on these topics.

* Non-Conflicted Directors means the Directors other than Mr John Murphy and Mr Anthony Eisen, for reasons set out on page 3.

Legal notices

This is a supplementary target's statement ("Supplementary Target's Statement") issued by ClearView Wealth Limited ("ClearView") (ACN 106 248 248) under section 644 of the Corporations Act 2001 (Cth). It is the first Supplementary Target's Statement issued by ClearView in relation to an off-market takeover bid for all of the shares in ClearView ("Shares") made by CCP BidCo Pty Ltd ("CCP BidCo").

This Supplementary Target's Statement supplements and is to be read together with the Target's Statement issued by ClearView on 20 August 2012 ("Target's Statement"). Words defined in the Target's Statement have the same meaning in this Supplementary Target's Statement unless the context otherwise requires or provides. This Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement.

A copy of this Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers takes any responsibility for the contents of this Supplementary Target's Statement.

This Supplementary Target's Statement should not be taken as personal financial advice, as it does not take into account the individual investment objectives, financial and taxation situation or particular needs of each shareholder in ClearView ("Shareholders"). You may wish to obtain independent financial and taxation advice before making a decision whether or not to accept the Increased Offer.

Background to recent developments with the CCP BidCo Offer

On 29 August 2012, ClearView announced that it had entered into an Implementation Agreement with CCP BidCo under which CCP BidCo agreed to increase its takeover offer to Shareholders ("Increased Offer"). The Increased Offer comprises a payment of \$0.55 cash per Share by CCP BidCo to Shareholders who accept the Increased Offer, and in addition CCP BidCo has agreed not to reduce the Offer Price by dividends of 4 cents cash per Share (the "Dividends"). The Dividends comprise the 1.8 cents per Share fully franked dividend already declared on 20 August, plus another 2.2 cents per Share unfranked special dividend ("Special Dividend") which is described in more detail below.

The total value to a Shareholder who accepts the Increased Offer and is a Shareholder on the record dates for both the Dividends is therefore \$0.59 cash per Share (55 cents from CCP BidCo plus 4 cents of Dividends, plus some franking credits). **It is important to note that you do not have to accept the Increased Offer to be entitled to the Dividends.**

This Supplementary Target's Statement sets out the key information about the Increased Offer and the Special Dividend. CCP BidCo has lodged and mailed to Shareholders a Second Supplementary Bidder's Statement in relation to its Increased Offer on 31 August 2012.

CCP BidCo's Increased Offer

Under the terms of the Implementation Agreement, CCP BidCo has:

- increased its Offer Price from \$0.50 to \$0.55 per Share ("Increased Offer Price");
- extended the Closing Date of its Offer from 7 September to Friday, 14 September 2012;
- declared its Offer free from all unsatisfied conditions other than the 50% Minimum Acceptance Condition and CCP BidCo obtaining all necessary regulatory approvals (namely, APRA and FIRB); and
- waived its rights to deduct from the Increased Offer Price payable to Shareholders who accept the Increased Offer the value of the Dividends. Under the original Offer, CCP BidCo could have reduced its Offer Price to \$0.482 per Share as a result of payment of the 1.8 cents per Share dividend which was declared on 20 August.

Special Dividend

In addition to the Increased Offer Price of \$0.55 cash from CCP BidCo, ClearView has agreed to declare an unfranked Special Dividend of 2.2 cents per Share when:

- CCP BidCo obtains a relevant interest in more than 50% of the Shares (this has now occurred); and
 - its Offer is otherwise unconditional,
- (together, the "Special Dividend Conditions").

As discussed below, the Company's major shareholder, GPG (holding approximately 47.3% of the Shares), has accepted the Increased Offer. If, for any reason, the other conditions of the Offer relating to regulatory approvals are not met, such that the Special Dividend Conditions are not satisfied, the Special Dividend will not be declared. The remaining discussion and information provided in this Supplementary Target's Statement is on the basis that those conditions will be satisfied and the Special Dividend will be declared.

The Special Dividend will be declared on the business day immediately after the Special Dividend Conditions have been

satisfied and will have a record date that is (to the extent possible) the same as the record date for the 1.8 cent final dividend declared for FY12, namely Friday, 14 September 2012. If you are a Shareholder on the record date for the Special Dividend, **you will be entitled to receive the Special Dividend whether or not you accept the Increased Offer.**

If you buy or sell Shares on the ASX in the near future you should check whether the Shares are trading on an ex-dividend basis (which occurs before the record date), as this will affect your entitlement to the Dividends.

The Increased Offer Price of \$0.55 per Share together with the 4 cents of cash Dividends represents:

- a 27% premium to the closing price of ClearView Shares on 11 July 2012 (being the last day of trading prior to the announcement of the initial Offer); and
- an 18% increase to the initial Offer Price.

GPG's acceptance of the Increased Offer

GPG, being a substantial holder in ClearView (with a holding of approximately 47.3% of the Shares), announced on 29 August that it will accept the Increased Offer within two business days of the formal variation being made to effect the Increased Offer (which variation was made by CCP BidCo on 31 August 2012). GPG formally accepted the Increased Offer on 3 September 2012.

As GPG had previously announced that it would undertake an orderly realisation of its investment portfolio and would seek to exit individual investments at an appropriate time, the uncertainty regarding GPG's shareholding has affected ClearView for a time.

As a result of GPG's acceptance of the Increased Offer, CCP BidCo has a relevant interest in approximately 60% of the Shares such that, assuming CCP BidCo receives all necessary regulatory approvals for its bid, control of ClearView will pass to CCP BidCo and its Associates at that time.

No superior proposal

ClearView and its advisers have undertaken a competitive sale process following the announcement of the original Offer on 12 July 2012. This included engagement with a number of prospective buyers from Australia and overseas. As at the date of this Supplementary Target's Statement, no proposal has emerged that is superior to the Increased Offer from CCP BidCo.

Non-Conflicted Directors' comments regarding the Increased Offer

The Directors (other than Mr John Murphy, who made no recommendation) recommended in the Target's Statement issued on 20 August 2012 that Shareholders reject the original Offer of \$0.50 per Share made by CCP BidCo on the basis that the original Offer materially undervalued ClearView. In addition, GPG

previously announced to ASX that in its opinion the original Offer of \$0.50 per Share represented a substantial discount to the fair value of ClearView and was wholly inadequate.

The Non-Conflicted Directors (being the Directors other than Mr John Murphy who refrains from making a recommendation in respect of the Increased Offer as he is a director and unitholder of entities associated with CCP BidCo, and Mr Anthony Eisen who refrains from making a recommendation as he is an executive of GPG which has already accepted the Increased Offer), continue to be of the view that the Increased Offer **does not represent fair value for your ClearView Shares.**

However, in light of the Increased Offer and in the absence of a superior proposal, the Non-Conflicted Directors consider that those Shareholders seeking to sell some or all of their Shares now or in the near future may consider accepting the Increased Offer. The Increased Offer has created an opportunity for all Shareholders (and not just GPG) to sell their Shares on the best terms that the Non-Conflicted Directors believe are likely to be available in the current circumstances. This opportunity is relevant as the Non-Conflicted Directors anticipate that trading in ClearView Shares will possibly become less liquid again if the CCP BidCo Offer is successful. If you choose to accept the Increased Offer, then you must act before the closing date of the Increased Offer (Friday, 14 September 2012 unless extended).

The Non-Conflicted Directors believe that there is significant value in a continued investment in ClearView, including in the platform it has developed to provide the basis for the Company's strategy for long term growth. Accordingly, you may choose to hold some or all of your Shares and share in the longer term prospects and potential growth in value of ClearView if you are prepared to accept the potential risk of such an investment, including those noted below.

Whichever alternative you choose, if the CCP BidCo Offer is successful then all Shareholders at the record dates will receive the relevant Dividends.

The following information on the two alternatives available to you is provided by the Non-Conflicted Directors of ClearView.

Why you may consider continuing to reject the Increased Offer

Reasons why you may consider not accepting the Increased Offer include:

- as discussed in the Target's Statement, ClearView is at the early stage of its strategy with growth now emerging such that selling your Shares now means you give up the potential value of the strategy and future growth;
- the Increased Offer remains below the Embedded Value of ClearView (\$0.64 per Share) and below the Independent Expert's valuation range (\$0.68 to \$0.74 per Share). Note that

both of these figures are on a pre Dividends basis, and would be expected to be lower once the Dividends are paid. You may consider it unattractive to sell your Shares at a price below these values. However, you should also take into account that no proposal within the valuation range has emerged since the CCP BidCo Offer was announced on 12 July 2012;

- you will still receive the 4 cents Dividends even if you do not accept the Increased Offer, provided you are a Shareholder on the relevant record dates and the Special Dividend Conditions are satisfied;
- success of the Increased Offer will result in the introduction of a new controlling Shareholder in ClearView and the exit of GPG, which will likely reduce the effect which the uncertainty regarding GPG's shareholding has had on ClearView. CCP BidCo has also expressed to ClearView a desire and capacity to fund the growth of the ClearView business in the medium to long term, subject to agreeing appropriate terms with the Board of ClearView and the satisfactory performance of the business. You may prefer to remain a Shareholder in order to share in the future growth of the Company and its business, provided you are also prepared to accept the risks of remaining a Shareholder as outlined below; and
- if you accept the CCP BidCo Offer now, you will lose your right to sell your Shares to anyone else, either on the ASX or by accepting any potential higher competing offer from a third party (subject to withdrawal rights that may be available in limited circumstances). However, there is currently no competing offer for ClearView that is open for acceptance and it is unlikely that one will emerge as GPG has accepted the CCP BidCo Offer.

Why you may consider accepting the Increased Offer

Reasons why you may consider accepting the Increased Offer include:

- the Increased Offer together with the Dividends provides you with an opportunity to sell your Shares at a substantial premium (approximately 27%) to the closing price of ClearView Shares on 11 July 2012 (being the last day of trading prior to the announcement of the initial Offer);
- CCP BidCo will, if its Offer is successful, be in a position to control the strategic direction of the ClearView business and control appointments to the Board (subject to regulatory requirements). Any remaining Shareholders will become minority Shareholders in a company that is controlled by CCP BidCo;
- if you do not accept the Increased Offer and remain a Shareholder, it is considered possible that the market price of ClearView Shares may fall below the Increased Offer price after the Offer closes. However, you will still be entitled to

receive the Dividends if you are a Shareholder on the record dates, **whether or not you accept the Increased Offer;**

- the success of the Increased Offer is likely to result in reduced liquidity for ClearView Shares on ASX, and if levels of acceptance of the Increased Offer are very high then there is also a risk that ClearView may no longer qualify for continued listing on ASX (for instance, if it ceases to have a minimum number of Shareholders which ASX, in its discretion, considers sufficient to provide a liquid market);
- the payment of approximately \$9.4 million to fund the Special Dividend could, under certain assumptions, bring forward the time at which ClearView may be required to undertake a capital raising in the future to fund the growth of its business (noting that any acceleration in timing for such a capital raising would likely arise in circumstances where ClearView was experiencing significantly higher growth in its business). If a capital raising is undertaken then your interest in ClearView may be diluted if you do not participate; and
- remaining as a Shareholder of ClearView will involve certain risks for your investment. The key risks were set out in Section 6 of the Target's Statement.

If you are considering accepting the Increased Offer, you should also check the price that may be available for selling your Shares on ASX, which may be higher (although you will need to take into account brokerage costs, which do not apply to acceptance of the CCP BidCo Offer, and the potentially different tax consequences).

Consider your own circumstances in making a decision

You should note that the information in this Supplementary Target's Statement does not constitute financial product advice and this Supplementary Target's Statement does not take account of your individual investment objectives and financial situation or particular needs. Accordingly, in deciding whether to remain a Shareholder in ClearView or accept the Increased Offer, you should consider your own investment objectives and seek independent financial and taxation advice.

Effect on ClearView Executive Share Plan (ESP)

As GPG's acceptance will result in there being a change in control of ClearView, all performance and vesting conditions in relation to Shares currently held under the ClearView ESP held by an Eligible Employee who is an employee participant will, in that case, be deemed to have been satisfied ("Eligible Employee Participants"). However, this does not apply to contractor participants.

Accordingly, all Eligible Employee Participants may shortly be entitled under the ClearView ESP to submit a disposal request (as defined in the ClearView ESP) ("Disposal Request"). In order to submit a Disposal Request, an Eligible Employee Participant should follow the procedure outlined in the ClearView ESP Rules.

Non-Conflicted Directors' intentions regarding the CCP BidCo Offer

Mr Swanson, the Managing Director, does not intend to accept the Increased Offer for the Shares which he owns or controls. Of the non-executive Directors who own or control Shares, Mr Ray Kellerman and Ms Sue Thomas intend to accept the Increased Offer and Mr David Goodsall does not presently intend to accept the Increased Offer. Mr John Murphy makes no statement in this regard.

Following the Increased Offer becoming unconditional, a majority of the non-executive Directors will resign from the Board and will consider the appointments of nominees of CCP BidCo (subject to regulatory requirements).

Further information

For further information, call 1300 885 039 (toll free for callers within Australia) or +612 8022 7902 (callers outside Australia), Monday to Friday between 8.30am and 5.30pm (AEST), if you have any questions or require assistance.

This Supplementary Target's Statement has been approved by a resolution passed by the Directors of ClearView other than Mr Anthony Eisen who abstained from voting. This Supplementary Target's Statement is dated 4 September 2012, which is the date on which it was lodged with ASIC.

SIGNED for and on behalf of ClearView Wealth Limited



Mr Christopher Robson
Company Secretary